



OFFICE OF THE SECRETARY OF DEFENSE
1980 DEFENSE PENTAGON
WASHINGTON, DC 20301-1980

JAN 02 2013

MEMORANDUM FOR ACTING PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE
FOR PERSONNEL AND READINESS

SUBJECT: Department of Defense Medicare-Eligible Retiree Health Care Board of Actuaries –
Membership Balance Plan and Charter Renewal Approval

The membership balance plan (TAB A) and the renewed charter (TAB B) for the Department of Defense (DoD) Medicare-Eligible Retiree Health Care Board of Actuaries (“the Board”) are approved. However, please be advised that changes to the Departmental Federal Advisory Committee Management Program, to include new policies on committee/subcommittee membership, structure, and governance, will be forthcoming and could affect the Board. In particular, the Secretary of Defense memorandum, dated October 9, 2012, on advisory committees directs that “we continually assess to ensure that advisory committees deliver appropriate value today and in the future as times and requirements change,” and as such, we recommend that you continually reevaluate the Board’s functions and reduce where appropriate the Board’s operating costs. A copy of the Board’s charter will be provided to the Board and its Designated Federal Officer (DFO), once my Advisory Committee Management Officer (ACMO) files the charter with the Library of Congress, the Congressional oversight committees, and the General Services Administration.

As part of the charter renewal process, this office, in consultation with the DoD Office of General Counsel (OGC), has affirmed that all individuals appointed to the Board, once approved by the Secretary of Defense, shall be appointed to serve as special or regular Government employee members, as appropriate. The following points apply:

- (a) Individual members approved for appointment or renewal by the Secretary of Defense, who are not full-time or permanent part-time Federal officers or employees, shall be appointed to serve as experts and consultants under the authority of 5 U.S.C. § 3109 and to serve as special Government employee (SGE) members. Those who are full-time or permanent part-time Federal officers or employees shall be appointed to serve as regular Government employee (RGE) members.
- (b) Each member shall be notified, in writing, of the Secretary of Defense approval decision. In preparing your appointment or renewal of appointment letters, the Board’s DFO should consult the ACMO and DoD OGC, to include the Standards of Conduct Office. At a minimum, the letters shall contain the following:
 - i. That their appointment to serve on the Board is without compensation, with the exception of travel and per diem.
 - ii. That they are appointed to serve as SGE or RGE members, as appropriate.
 - iii. An explanation of the difference between serving as a SGE member and a representative member.
 - iv. A summary of the applicable ethics requirements, to include whether SGE members are required to file a Confidential Financial Disclosure Report.

As the Board's DoD Sponsor, you are responsible for:

- (a) Ensuring that the Board's DFO attends all meetings of the Board and its subcommittees for the entire duration of each and every meeting.
- (b) Ensuring that the DFO and the Board fully comply with all governing Federal statutes and regulations, to include DoD Instruction 5105.04, "Department of Defense Federal Advisory Committee Management Program."
- (c) Ensuring that all work done by the Board and its subcommittees is based upon written tasks or terms of reference assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense, or you, as the DoD Sponsor. All tasks or terms of reference are subject to public review and, at a minimum, shall include:
 - i. A description of the problem or policy to be analyzed and the DoD decision maker for the matter(s) under consideration.
 - ii. Authority for members of the Board or its subcommittees to access DoD officials and DoD data that is pertinent to the matter(s) under consideration.
 - iii. A budget limitation under which the Board or its subcommittees must operate.
 - iv. A date by which the Board must submit its written conclusions (advice and recommendations) to the DoD decision maker.
- (d) Providing adequate support to the Board and its subcommittees, and ensuring that the Board and its subcommittees are not unduly or inappropriately influenced by Federal officers/employees or any special interest group.
- (e) Ensuring that all members of the Board and its subcommittees are appointed according to DoD policy and procedures. No member will participate in any work by the Board or its subcommittees until all of the following have been completed: the member completes and submits to DoD all personnel and ethics paperwork required for his or her appointment; the appropriate DoD offices process the individual's personnel and ethics paperwork; and the individual takes the oath of office for his or her appointment.
- (f) Ensuring that all DoD and other Federal Agency documents provided to the Board or its subcommittees are properly marked according to governing statutes, regulations, and DoD policy and procedures.
- (g) Monitoring the implementation status of any recommendation adopted by DoD or the Congress, and ensuring that this information is available for future inquiries.

If you should have any questions about DoD's program, the Federal governance and compliance requirements, the charter renewal, or the membership balance plan, please contact the ACMO, Mr. Jim Freeman at 703-692-5952, or by email at James.Freeman@osd.mil.



Michael L. Rhodes
Director

Attachments:
As stated